G. R. S. 58].

Previous references. 1923-24 **File No.** 39-13

4 7 128 - 8.3 - 142 4 7 **Serial Nos.** 5-

4 7 32 - 8.3 - 163

Later references.

GF-55-25-142.

G.F. 66.29.142.

G7 209-29 8 1m—

Reserve Not Filming P-30-E

GENERAL AND REVENUE SECRETARIAT

Preserved

Serial Nos.

Part B for September 1924

SUBJECT

Detailed local audit-monthly of the accounts of the Loco & Carriage and Waggon Departments.

L.C.S. To The comptr.
" Auditor Inspr Rys.
" Accnt Inspr Rys.
" Secy: to the Govt for Rys.

No. AC:1615-8 5/16-9-1924.

Directs the introduction of a system of _____ will effect from 1st July 1924.

4/11/24

G. R. S. III-2]

General and Revenue Secretariat. G.C. File No, 39 of 1923

Serial No.

* not found 24-11-22

* 4. No 620/Rys dt 4-6-22 from the Comptroller forwards Copy of the Auditor's note re the introduction of Concurrent audit of the workshop accounts of Mysore Railways and recommends that the Auditor's proposals be approved.

The Comptroller's finial proposals on the introduction of Concurrent audit are now received and are dealt with reference to Dewan's orders dt 24/9/22 on the reverse of 'S'.

The linked file contains Mr. E.V. Ramaprasad Iyer's report of the work done by him at Madras during his deputation. The report has in it, besides other things, certain valuable suggestions on points relating to the Concurrent Audit System. The report of the Workshop Accounts Committee referred to by the Comptr is not before us and it may perhaps be useful to Consult it before passing

G. R. S. III-2]

General and Revenue Secretariat.

G. I. File No. 3 9 of 19 23

Serial No.

trial orders, may it be called for from the Comptt?

3) As regards the adoption of the system in our Railways, mutatis mutandis, the Auditor has submitted his proposal which is agreed to by the Comptt & contained in para 2 of his enclosure to, Appt. (A). The proposal is susceptible of examination from 2 stand points viz (a) administrative & (b) technical.

I As regards the latter aspect—technical, the various accounts to be inspected, as workshop orders, time sheets, shop abstract of expenditure etc etc, the M.S.M. Rly system is proposed to be followed with of course the necessary changes warranted by local conditions.

II As for the first aspect, viz, the administrative, the Auditor proposes to depart from the M.S.M. practice and have only a part-time officer, instead of a whole-time officer for the following reasons

(1) want of accommodation for the near the workshops for the Concerned Audit Officers & his establishment, if separately

G. R. S. III-2]

General and Revenue Secretariat.

G. F. File No. 39 of 19 23

Serial No.

Sanctioned as an independent unit.

(2) The inconvenience incidental to the location of this staff away from the Central Office.

(3) Interference with a Continuous & effective Control of the Auditor over this Section, if stationed away from the Central Office.

(4) Comparative Smallness of transactions in the Workshops resulting in keeping the Officers only partly employed, the Officers not being available for any other work, if kept away from the Central Office.

(5) The responsibility of the Audit & Accounts Sections will have a tendency to get overlapped if permanently stationed in the Workshops.

(6) The present proposal involves least dislocation of work & leaves the way clear to effect necessary Changes, that experience may dictate.

(7) Such Changes may be introduced

NOTE—Contn. sheet.

Serial No.

Gradually, after seeing the results of Audit system for works in the Railways run on own, having refund to the state experimental stage of the system.

4) In fine, the proposal of the Auditor is (1) 2 Asst to have a suite time Officer (2) 2 Asst to locate the staff in the workshops, but to send an Officer of the Accounts every month to the workshops & Stores to check the monthly accounts of the staff. They will work in the workshops for 15 days & come back to Central Office & work there for the rest of the days. Care is also taken to make the monthly check as effective as possible, by maintaining 2 sets of the pistons etc. etc.

5) Regarding the part time Officer, the Auditor's Opinion, the Comptr's & Mr. Ramakrishnayya's formed after discussion with the M.S.M. Ry Audit Officers are unanimous. The one strong reason in favour

G. R. S. III-2]

General and Revenue Secretariat. | G. C. File No. 39 of 19 53.

Serial No.

of the opinion is the comparative smallness of transactions in the Rly. the workshop Audit Committee have recommended simply a Control of accounts with a well organised outside audit staff in the case of small institutions. (Vide Comptr's remarks on page 2 of p.n.d I). Mr. Ramachandra Iyer's opinion formed as a result of discussion with Mr. Stanison is contained on page) of the former's report (flagged & portion marked in pencil). The reasons also are given there.

b) As the G.o sanctioning the commercial audit system (I) the deputation of a full-time officer for the purpose is contemplated. Now, the reasons above set forth clearly point to the contrary.

c) If the Comptr's recommendation is approved, a draft sanctioning the Auditor's proposals in general will be put up. The system as at present sanctioned may be put on trial for 4 / 2 years as suggested by the

G. R. S. III 2]

WD 2310—GPB—10,000—81-5-24

General and Revenue Secretariat. | G.F. File No. 39 of 1923.

Serial No. 16)

This arrangement is not without its drawbacks as it is never desirable to relieve the executive officers of their responsibility for the maintenance of proper accounts of their monetary transactions and for making use of such accounts for a l l administrative purposes. The procedure now proposed aims at subjecting the initial ~~registers~~ accounts of the Workshops to local audit month by month. The system of audit (in Central office) before payment will remain unaffected and the scrutiny of intial documents on which the claims pre-audited rest ~~is~~ will be taken up month by month and this local audit is not test examination as is now being done in the course of periodical inspections but a n exhaustive review. All the ~~inti~~ initial documents and all the entries in them will be examined. Under this arrangement, the responsibility of the executive is left unimpaired and the usefulness of local audit is considerably enhanced by its being taken up as soon as the accounts of ~~this~~ the month are ready and also by its being made exhaustive. The difficulties in the way of closely following the system of concurrent audit adopted elsewhere are explained in the Auditor's

NOTE—Contn. sheet.

note

G. R. S. III-2.

General and Revenue Secretariat.

G. S. File No. 39 of 19 23.

Serial No. (1)

On file containing Mr. Ramaswami Iyer's report re. Public Accounts Committee

The position in that report with regard to Ch. Comm. Audit is also stopped

2.

SC 1917

15 A system of concurrent audit of the accounts of the Railway Workshops has been proposed by the Auditor: vide his note attached to the Comptroller's letter, and the Comptroller has approved of it. It is stated that, pending sanction of Government, the new procedure has been put into practice. This system is not exactly identical with that followed elsewhere; for instance, the M. & S. M. Railway system is that of stationing in the Workshops a section of the Audit Office presided over by an officer of the Audit Department and requiring that section to examine before payment not only the documents on which claims are preferred by the Loco Department but also the initial accounts on which such documents themselves rest. I also understand that this section of the Audit Office located in the Workshops at Perambur has been entrusted with the duty of writing up the accounts of the Shops.

This

NOTE—Contn. sheet.

Serial No.

note. It is stated that there will not be sufficient work for one gazetted officer if he is required to work in the Workshops and the Auditor also states that he cannot afford to have one of his Assistants withdrawn from his office. All things considered it seems to me that the proposal now made by the Comptroller is as far as we can go now and as stated by him the system can be improved after some experience is gained of the working of the procedure now proposed. In these circumstances, I think sanction may be conveyed to work the arrangement now proposed for two years from this month. As no radical changes affecting the working of the Workshops has been proposed and as the new system is only an improvement in the method of conducting local audits and making them comprehensive in their scope and prompt in point of time, it does not seem to be necessary to consult the Agent and orders may be issued approving of the Comptroller's recommendation and asking for a report of the working of the new ~~procedure~~ arrangement being submitted three months before the end of the period

Serial No.

period of two years for which the new procedure is proposed to be tried in the first instance.

DEWAN'S OFFICE,
REGD. ON 24 JUL 1924
Reg. No 650

Dewan

24.7.24

17) I agree. A draft order may be issued accordingly

18) Please issue draft

25/8/24

19) Draft Secy.

25/8 Secy

20) 26/8/24

Dewan 21) 1.9.24

22) 6/9

23) Issue

8/9/24

24 8/9/24

To comptr:
Auditor mys. Rys
Agent "
Secretary "
No G1 1615-8 dated 16th Sept 1924.

Directs the introduction of a system of audit month by month of the Locos Carriage Wagons Dept with effect from 1st July 1924

DEWAN'S OFFICE,
SEP 24
No. 1951/

See letter regarding printed copies

NOTE—Contn. sheet.

G. R. S. III 2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat. | 47 File No. 89 of 1923.

Serial No.

The Comptroller is requested to state in what stage the question relating to the concurrent audit of transactions of the Loco Department now is.

Nurl 21.7.24

NOTE—Contn. sheet.

15850

12 - 17.04

C. O. 46—R

WD 0103—GPB—10,000—29—8-21

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comn. please refer to
No. 227/11.1.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 13th Novr. 1923.

FROM

T. SATYARAJ CHETTY Esq., B. A.,

Comptroller to the Government of

His Highness the Maharaja of Mysore.

The Financial Secretary to the Govt. of Mysore.

Bangalore.

SIR,

In continuation of this office letter No. 126/Rys dated 19-9-23 I have the honor to state that the Agent, Mysore Railways, in his Endorsement No.2777 dated 22-9-1923 to the Auditor reports that there is no accommodation for housing any of the staff to be posted to the workshops in connection with the concurrent audit of workshop and stores accounts, and states in his No.3871 dated 31-10-1923 to the Auditor that 2 rooms 18 ft x 20 feet would be made available in the Loco and Carriage Superintendent's Office building for the location of the Workshop and Stores Audit Sections.

The Auditor who was asked to state what changes he would suggest in the existing procedure both in the Workshops and in the Central Office for bringing the new system into force intimates that the question is being considered by him in its various aspects and that he would submit a note shortly. As soon as this is received I shall also see how far the changes proposed by him can with safety be introduced and whether they are on the lines of the system followed

1764/7 13

on other State Railways.

In the meantime I await orders of Government on the proposal made in this office No.165/Rys dated 1-10-1923, to send Mr. Ganapathy Iyer to Madras on deputation for a period of about two months.

I have the honor to be,

Sir,

Your most obedient servant,

T. Sadyanadhachetty

Comptroller.

In this Govt order dated 28th Sept 23 in flap very R, the system of Concurrent Audit was ordered to be introduced as soon as possible. This reference is perhaps an ad-interim Communication from the Comptroller to indicate that he is taking action to get the system introduced early. As for the last para, the Case is before the Dewan. Perhaps the Comptroller may be informed that the encouragements he has promised to make with a view to introduce the system early, should be expedited & that report of further development should be made to Govt at an early date.

Subs for orders.

8/11/23

I think orders re Mr Ganapathy Iyer have been issued. Comptr may be asked to send up early proposals re Concurrent audit

8/11/23

Draft put up

11/12/23

Draft for perusal

11/12/23

5/12

G. R. S. VI—G/32]

14

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

Section G.7.
File No. 39 - 23.
Serial No. 10.

General and Revenue Secretariat

( )

, the 192 .

No. FC 3032
of 6 Dec 23

Date of issue 12/12/23

Signed by M.V. Ramaprasad Rao

To

The Comptr,

Sir, Adverting to your letter No. 227/Rep dt 13.11.23 from Government of State Accounts Department

Now that Govt have approved of your proposal to depute Mr. V. Ramaprasad Iyer to Madras vide their letter No FC 2905 dt 29.11.23, I am directed to request you to kindly expedite your proposals for the introduction of Concurrent Audit promised in your letter No 227/Rep dt 13.11.23.

and send us

I have etc

sd/-
5/12/23
for Secy

sd/- 4/12

over.

WD 0632-GPB—1800—16-8 28

39-23 15

15739 D 2111

C. O. 46—R

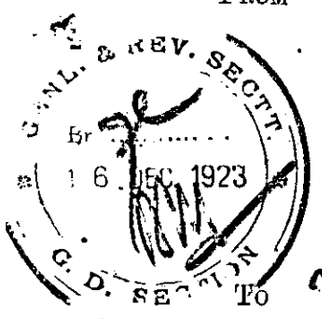
WD 0103—GPB—10,000—29—8-21

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comn. please refer to
No. 286/11/1.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 14th Decr. 1923.

FROM



T. SATYARAJ CHETTY ESQ., B. A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

TO

Rajakaryaprasakta
M.N. Krishna Rao, Esq., B.A.,
Financial Secretary to Govt.,
Bangalore.

SIR,

With reference to your letter No. Fl. 3032/G.F. 8-23-10 dated 6th December 1923, asking me to send up my proposals for the introduction of ~~the~~ Concurrent Audit, I have the honor to state that the note promised to be sent by the Auditor to which a reference was made in my letter No. 227/Rys dated 13th November 1923, has not been received and he has been requested to arrange for its being sent early. Soon after it is received I shall -- submit my proposals for the introduction of concurrent audit.

I have the honor to be,
Sir,
Your most obedient servant,
T. Satyaraj Chetty
Comptroller.

Subs for perusal. The scope of the proposals will be watched.
Yes - Please put the papers upon on 5-1-24
14/12/23
Subs
9/1
Please enquire when the proposals will be sent
10/1/24
Draft Subs
11/1/24

Rev. 81 D. 2105

MEMO OF INTERVIEW WITH THE DEWAN.

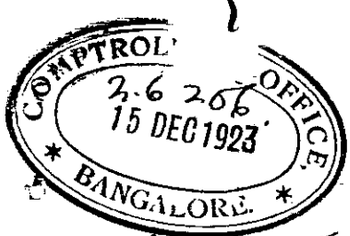
14 DEC 1923

Name of Interviewer—

Representation in brief—

That delay in ... Concurrent audit ... Railways

Reply ... Chiefs



Forwarded for compliance with
Comptr. for furnishing information
reqd. above
15/12/23

Reply
1.-12-23

Notes.

[etc., not intended for permanent record.]

No. 290/Rys. dt 18/12/23.

Reply

In this office letter No.165/Rys dated 1st October 1923 to the Financial Secretary sanction of Government was requested for the deputation of Mr. E.V. Ganapathy Iyer to Perambur Workshops for about 6 weeks so that the concurrent audit may be brought into effect soon after he returns from deputation. Government sanction to Mr. Ganapathy Iyer's deputation to the M & S.M. Railway Workshops at Perambur was communicated in Financial Secretary's letter No.Fl. 2905/G.F. 8-23 dated 29-11-1923. In this office No.288/Rys dated 14-12-1923 the Financial Secretary was informed that the Agent, Mysore Railways, is not prepared to move the Agent, M. & S. M. Railway in the matter without the express orders of Government and was requested therefore to issue necessary orders to him. After the orders are communicated and arrangements with the Agent, M. & S.M. Railway completed Mr. Ganapathy Iyer will proceed on deputation and on his return the new system will be brought into force.

The

R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

The Auditor has in the meantime promised to submit a note on the introduction of concurrent audit after studying the question in all its details and on receipt of the same I shall examine his proposals in the light of the system followed on other State Railways and submit my report to Government.

21091 GEN'L. & RE... BR... 28 DEC 1923 C. D...

Comptroller.

To
The Financial Secretary
with compliments

NB.—Should routing notes be written on small slips, the notes must be copied, or slips pasted on this form.

G. R. S. VI—G/32]

16.

SUBJECT .....

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Diary No. of letter replied to .....

General and Revenue Secretariat

( )

, the *192* .

Section 47

File No. 39 – 23

Serial No.

No. JL 3809

Date of issue 15/1/24

Signed by V. Ramaswamy

To

The Comptroller

Sir,

With reference to your letter No 286/Rep. dy 14.12.23 regarding the introduction of Concurrent Audit System, I am directed to enquire if the Note stated to be awaited from the Auditor has been received and when Report/Proposals may be expected.

I have etc

sd/-

12/1/24

for Secy

sd

11/1/24

over.

WD 0632 - GPB—1800—16-9-23

237.4

19 252711

4-7-39-83

C. O. 46—R

WD 0103—GPB—10,000—29—8-21

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comm. please refer to
No. 348/19.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 19th January 1924.

FROM

T. SATYARAJ CHETTY ESQ., B.A.,

Comptroller to the Government of His Highness the Maharaja of Mysore.

To

Rajakaryaprasakta
M.N. Krishna Rao, Esq., B.A.,
Financial Secretary to the Government,
Bangalore.

SIR,

With reference to your letter No. F1.3809 dated 15th Janua 1924 regarding the introduction of Concurrent Audit, I have the honor to intimate that the Auditor has forwarded his note to me which is not on the lines suggested by the Workshop Accounts Committee in their report of 1915. As it was the intention of Government to have the new system introduced on our Railways on t lines suggested by that Committee and as I am now given to under stand that there is a subsequent note drawn up by Mr. Haseltine against the suggestions made by the Committee, I have addressed the Accountant General, Railways to send me a copy of the note in question so that I may consider the question in all its aspects to see what detailed arrangements would yield the best results with the least inconvenience to the Administrative, the Executive and th Audit Departments.

On the North Western Railway wherein the Concurrent Audi has been introduced the audit of Workshop and Stores Accounts i

stated to be carried on in the same building as that occupied by the Heads of those Departments and their offices and as the Auditor has stated in his Note that the location of the Workshop and Stores Audit Sections at the site of the works will not be possible on our Railways at present the question has to be gone into in detail and information gathered from other well settled State Railways as to how far the suggestions of the Committee were adopted on those Railways.

Soon after I hear from the Accountant General, Railways, I shall submit my proposals to Government.

I have the honor to be,

Sir,

Your most obedient servant,

T. Satyanarayana Rao

Comptroller.

DEWAN'S OFFICE
Rcd. on 1-2-1924
5441

G. R. S. VI—G/32]

21

SUBJECT .....

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Diary No. of letter replied to .....

Section 47

File No. 37-23

Serial No.

General and Revenue Secretariat

( )

; *the* *192* .

No. 716

Date of issue 1.7.24

To The Comptr

Signed by Mr. K. A. Rayachar.

I am directed to request you to kindly forward for reference a copy of Mr. Steel's note on the Report of the Work shops A/c Committee referred to in your letter No 20/Rly dy 14.6.24. These will be returned to you when done with

28/6

over.

22

22

01061

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

97

In reply please refer to No. 12 / Enc 2 books.

Comptroller's Office, Bangalore,

Dated the 4th July 24 192

106

Rajakaryaprasakta,
M. N. Krishna Rao, Esq., B.A.,
Financial Secretary to Government,
Bangalore.

13 24

97

REV. REPORT
8 - JUL 1924
G. S. SECTION

Sir,

As desired in your letter No. F.16 dated the 1st instant 1924 I have the honor to forward herewith copy of Mr. Heseltine's Note and copy of the report of the Workshops Accounts Committee and to request that they may kindly be returned when done with.

I have the honor to be,
Sir,
Your most obedient servant,

T. Satyanarayana Rao

Comptroller.

Notes on the Introduction of Concurrent Audit of Accounts of Workshop and Stores.

=====

"Concurrent Audit" means audit at the same time as the transactions take place. It is made to cover initial transactions as well. Its advantage is the prompt noticing and rectification of irregularities which under the ordinary system of audit would be done much later than the occurence of the transactions. Concurrent audit gives also a closer and more real knowledge of the details of the transactions to the Auditor. Government have doubtless sanctioned the scheme of concurrent audit with the intention of attaining these objects.

2. The permanent locations of the sections of the Audit Office dealing with Workshop and Store Accounts at the Workshops mentioned by Government is I beg to submit not a necessary condition for carrying on Concurrent Audit or attaining the objections mentioned above. On the other hand the permanent location of the Workshops and Stores Audit sections at the Workshop is attended with a some inconveniences and disadvantages as mentioned below. I would therefore suggest that the desired objects may be substantially obtained without much inconvenience or disadvantages by sending an officer and an Accountant of this office to the Workshops and Stores every month -after the monthly transactions are completed- to completely check the accounts of the month on the spot. In order to interfere as little as possible with the work of the staff of the Workshops and Stores, the registers and accounts they may be kept as far as possible in two sets of books -one for each alternate month, so that the Audit of one month's accounts may go on without interferring with the current work of the Workshops and Stores. The audit may cover all initial documents and items of work not susceptible of audit, i.e., the Central Audit such as Workshop Orders, Time sheets, shop abstract

of Expenditure, Workshop general Register, details of out-turn statement in the Workshop and requisitions, quotations, tenders, purchase orders etc., in the Stores. At present these are Test audited during the occasional local inspections which will take place once in one or two years. By checking the above monthly as proposed above, we will get practically all the benefits of concurrent audit, in addition to the benefit of the Central Audit carried on in the Central Office as at present. I think one month's transactions of both stores and Workshop may take about 10 to 15 days for the Accountant and 8 to 12 days for the Assistant Auditor. They would go and work for this period in the Workshop and during the other days of the month they will work in the Central Office.

3. I beg to submit that the method I propose is more advantageous than that proposed by Government to locate the Workshop and Stores Audit Sections at the Workshops for the following reasons :-

(1) There are at present 15 men in the Central Office engaged on this work. The Loco Superintendent says that one room 18' x 20' can be made available for them but ~~xx~~ no quarters for any one of them near the Workshops. The Agent says that two rooms 18' x 20' can be made available for them in the Workshops for 15 men and an officer and also for keeping their necessary records both current and old, the accommodation suggested by the Loco Superintendent is inadequate and I feel doubtful if even what is suggested by the Agent will be enough. In any case the officials will be put to great inconvenience by not getting residential quarters near the Workshops.

(2) If a small section of the Audit Office is detached and left near the Workshops, there will be inconvenience in regard to all items of work in regard to which other sections of this office have to work with the Stores and

Workshop audit sections - such as Records Section in regard to the receipt of inward papers, despatch of outward papers, and fair copying, Cash & Pay Section in regard to the sending of passed bills and their payment, Expenditure Audit Section in regard to Stores Expenditure on Works, and adjustments in which Expenditure Section is interested, certification of Estimates and indents and Booking and Budget Section in regard to the putting up of Journal Slips and adjustment, watching the progress of Expenditure, verification and agreement of suspense and other registers and balances etc. These items of work are being done now without any inconvenience as all the sections are side by side, but special arrangements will have to be made for them and for the transmission of papers between the Section located at the Workshops and the Central Office, and for making the Section in the Workshop of a self-contained office in miniature. All this will require extra peons, staff and labour.

(3). Further it will not be possible for me to have check and Control over the work of these Sections as easily or as well as when they are in the Central Office.

(4) If the Sections are located in the Workshops, the Officer attached to it will have to remain there always though he may not have enough work to keep him engaged all the time. His work could be done as I have stated above in about 8 to12 days in a month. If he is in the Workshop he will not be available for any work in the Central Office or even to take the place of absentees for a day or two, and whenever he takes leave I will have to send an officer in his place from the Central Office which will be extremely inconvenient. By having all the officers working together in one place we will be conserving our resources and it is

possible to distribute work more evenly and arrange for extra work on account of absence of one of them.

(5) Even if the Audit Sections are located in the Workshops the responsibility for preparing the initial documents and to see that they are in agreement with facts rests entirely with the Departmental Officers who are also responsible to prepare compiled accounts therefrom (with the aid of trained accountants given to them by this office) and submit them for audit. The preparation of the accounts to be audited is quite a distinct process from the process of audit and even when the Audit Section is located in the Workshops the accounts section will have to be kept separate as at present and working under the Loco Superintendent. The method I propose would keep departmental responsibility unimpaired and clearly define the duties of the account and the audit sections which are likely to get mixed up if the audit section is permanently located there.

(6) The method I propose involves the least dislocation with present arrangements and is half way house between what Government have ordered and the present state of affairs. If experience shows that the method proposed by me requires modification, we can without any difficulty revert to our present method or advance further and locate the sections in the Workshops and introduce further necessary innovations without much trouble. But to transfer the sections to the workshop once for all now, would create much confusion immediately and curtail our liberty of action in the future.

(7) The system of audit for works appears to be still in an experimental stage and has not reached finality in the British Indian Railways and it would be better if we introduce radical modifications after knowing for a fact that they are successful elsewhere and are likely to succeed here.

Mysore,
22nd December 1923

Sd/- S. Shamanna
Auditor, Mysore Railways.

(True Copy) Shamanna

Copy of letter No. L.W.127/29-28 dated 22nd November'23 from the Chief Auditor, Workshop Audit Ecco, North Western Railway, Moghalpura to the Au itor, Mysore Railways, Mysore.

Concurrent Audit of Workshop and Store Accounts.

In reply to your letter No. R. 3486 dated 16th October 1923 I beg to inform you that the section of the Audit Office dealing with the audit of Workshop Accounts was amalgamated with those compiling the accounts at the site of the works in 1918 on this Railway. The procedure followed in the compilation and audit of these accounts is practically the same as is described in the State Railway Open Line Codes with the exception that the accounts are being compiled by Audit from the initialx documents i.e., Muster Rolls, Time Sheets and Stores Requisitions obtained direct from the Shops in the case of Head Quarter Workshops and thus the necessity of a re-check has been done away with enabling this office to reduce the clerical labour in the following directions:-

(a) The preparation of duplicate copies of accounts current with accompanying statements and schedules has been abolished.
(b) The maintenance of double sets of registers has been abolished.
(c) The preparation of Memo of Remarks and necessary correspondence minimised.
(d) The preparation of Labour Pay Sheets has been abolished as the payment is being arranged on original Muster Rolls.
(e) The preparation and submission of Time Sheets has been discontinued in the case of Shops working for the major portion of the month on one work order i.e., repairs of stock absentee lists are however taken in such cases for purposes of audit and control.
(f) The number of Works Orders has been reduced to a minimum by the grouping of works wherever possible. As regards Stores Audit and Accounts work the procedure laid down in S.R. Open Line Code Vol.III Paras 129 to 189 is being followed. The detailed working is incorporated in the Stores Audit Manual a copy of which is sent herewith.

It would be added that the audit of Workshops and Stores is carried on in the same building as that occupied by the Heads of those Departments and their offices so that Audit is in close touch with the Departments.

T

I also enclose for guidance a copy of the Manual prescribed for Stock Verifiers.

" C O P Y "

Ramaswami
For Supdt. (Rec)

Fair Draft

19

Proceedings of the Govt. Of H.H.
The Maharaja of Mysore.

R F A D:-

-702-

G.O. No.Fl. 1699/G.F.39-23-3 dated 28th September 1923 directing the early introduction of the system of concurrent audit of accounts of the Loco and Carriage and Waggon Departments.

2. Letter No.620/Rys. dated 14th June 1924 from the Comptroller forwarding the Railway Auditor's note containing proposals for the introduction of a system of concurrent audit and stating that he has given effect to the arrangement in anticipation of sanction.

Orig. Sent to Press. Proof prior.

(to be printed in extenso)

Order No. Fl 1616-8/G.F 39-23-3 Encls 2 to the Copy.

Dated 16 th September 1924

Print & Send as S.O. 8/9

The proposed procedure aims at subjecting the initial accounts of the Loco and Carriage and Waggon Departments to detailed local audit month by month instead of merely to a test examination in the course of periodical Inspections as hitherto. Under the new arrangement all the initial accounts and all entries in them will be examined by the Audit Department and the responsibility of the executive will remain unimpaired; the usefulness of local audit is also considerably enhanced by its being taken up as soon as the accounts of a month are closed and by the inspections being required to be exhaustive. The system of audit, in the Central Office of Railway accounts, before payment will remain unaffected by the new arrangement.

P.T.O.

The arrangement proposed by the Comptroller is approved and will be tried for a period of 2 years in the first instance with effect ~~from~~ from the 1st July 1924. The Comptroller is requested to submit a report on the working of this arrangement three-months before the end of the two years for which the new procedure is now sanctioned.

Financial Secretary to Govt.

6/7/24.

To

The Comptroller, Mysore Government, with copies of Mr. Heseltine's note and Workshop accounts Committee's report.

" Auditor, Mysore Railways.
" Agent, Mysore Railways.
" Secretary to Government for Railways.

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 1615-8—G F 39-23-5, dated 16th September 1924.

Detailed local audit month by month of the accounts of the Loco and Carriage and Waggon Departments.

Directs the introduction of a system of — — with effect from the 1st July 1924.

READ—

Government Order No. Fl. 1699-702—G. F. 39-23-3, dated 28th September 1923, directing the early introduction of the system of concurrent audit of accounts of the Loco and Carriage and Waggon Departments.

2. Letter No. 620—Rys., dated 14th June 1924, from the Comptroller, forwarding the Railway Auditor's note containing proposals for the introduction of a system of concurrentaudit and stating that he has given effect to the arrangement in anticipation of sanction.

(Printed as an annexure to the order.)

ORDER NO. FL. 1615-8—G. F. 39-23-5, DATED 16TH SEPTEMBER 1924.

The proposed procedure aims at subjecting the initial accounts of the Loco and Carriage and Waggon Departments to detailed local audit month by month instead of merely to a test examination in the course of periodical inspections as hitherto. Under the new arrangement all the initial accounts and all entries in them will be examined by the Audit Department and the responsibility of the executive will remain unimpaired. The usefulness of local audit is also considerably enhanced byits being taken up as soon as the accounts of a month are closed and by the inspections being required to be exhaustive. The system of audit, in the Central Office of Railway accounts, before payment will remain unaffected by the new arrangement.

The arrangement proposed by the Comptroller is approved and will be tried for a period of 2 years in the first instance with effect from the 1st July 1924. The Comptroller is requested to submit a report on the working of this arrangement three months before the end of the two years for which the new procedure is now sanctioned.

M. N. KRISHNA RAO,
Financial Secretary to Government.

To—The Comptroller, Mysore Government, with copies of Mr. Heaseltines Note and Workshop Accounts Committee's report.
The Auditor, Mysore Railways.
The Agent, Mysore Railways.
The Secretary to Government for Railways.

Exd.—P. S. R. N.

No. Fl. 1615-8—G. F. 39-23-5, dated 16th September 1924.

ANNEXURE.

No. 620—Rys., dated Bangalore the 12th—14th June 1924, from T. Satyaraj Chetty, Esq., B.A., Comptroller to the Government of His Highness the Maharaja of Mysore, to Rajakaryaprasakta M. N. Krishna Rao, Esq., B.A., Financial Secretary to Government, Bangalore.

In continuation of my letter No. 348 - Rys., dated 18th January 1924, I have the honor to state that the note drawn up by Mr. Heseltine in the matter of revision of Workshop Accounts on the North West Railway, has since been received from the Accountant-General Railways. The criticism made by him in reference to the suggestion of the Workshop Accounts Committee is more in respect of allocation of expenditure on petty jobs costing less than Rs. 500 and the adaptation of the English Card system in regard to the allocation of time to the several works in the case of workmen employed in the shops and he has suggested the discontinuance of the submission of separate out-turn statements along with the monthly Account Current.

I forward herewith a copy of the note submitted by the Auditor embodying his views on the suitability of the introduction of concurrent audit of the accounts of the Workshop on our Railways to the extent and on the lines contemplated in the report of the Workshop Accounts Committee compatibly with the conditions and circumstances prevailing in the Railway Audit Office here. On a careful consideration of the suggestions made by the Workshop Accounts Committee and those of Mr. Heseltine, and also the points dealt with, after consulting one of the officers of the Audit Department, Madras and Southern Mahratta Railway by Mr. Ganapathy Iyer in his report dated 2nd April 1924, which has been separately submitted to Government with my letter No. 621—Rys., dated 12th June 1924, I am of opinion that the introduction of concurrent audit by posting a whole time officer to the Workshops is neither necessary nor suitable under the existing conditions and that the reasons adduced by the Auditor for the alternative proposals suggested by him have much force. Even the Workshop Accounts Committee, as would be seen from their report, is decidedly of opinion that the transfer of the Audit and Accounts work performed in the Chief Examiner's Office to the Locomotive, Carriage and Waggon Accounts Office may not amount to a full time officer's work except in a very large office, and that in the case of smaller shops and in the case of smaller institutions the accounts can be simply controlled and kept up to the standard by a regular outside test-audit with a regular staff. Mr. Ganapathi Iyer who was deputed to Madras and Southern Mahratta Railway Workshops for about two months to study the details of the work there had occasion to discuss this question with some of the Audit Officers who are also of the same opinion that on our railways no full time officer would be necessary for the Loco Accounts work. The difficulties expressed by Mr. Shamanna in Paragraph 3 (2) of his note in carrying out the work of his own office if one of the officers is transferred exclusively for Accounts work in the Workshops are real and as they can be met with only either by strengthening the Gazetted staff which under existing conditions is not desirable, or by adopting the procedure suggested by him, I think the latter course may for the present be adopted and given a trial for a year or two. As explained by Mr. Shamanna the alternative proposal suggested by him for sending an officer and an Accountant of his office for about a fortnight each month to audit in detail the accounts of the Workshops will, without enfeebling the independence of audit, secure the object in view, and the system adopted can at any time be amplified on the lines indicated by the Workshops Committee with the expansion of the department. I request that his proposals may be accepted.

I have in anticipation of sanction asked the Auditor to introduce the monthly audit as proposed by him pending formal orders of Government.

I have the honor to be,
Sir,
Your most obedient servant,

T. SATYARAJ CHETTY,
Comptroller.

WD 692—GPB—280—3-10-24